2005 DRAFTING REQUEST

Bill

FE Sent For:

Received: 01/07/2005					Received By: pgrant			
Wanted: As time permits				Identical to LRB:				
For: Adı	For: Administration-Budget				By/Representing:	Ziegler		
This file may be shown to any legislato			or: NO		Drafter: pgrant			
May Co	ntact:				Addl. Drafters:			
Subject: Education - school boards			Extra Copies:	MJL				
Submit v	via email: NO							
Pre Top	oic:							
DOA:	Ziegler, BB03	379 -						
Topic:								
School g	general fund bal	lances						
Instruc	tions:		Water State Control of the Control o					
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Draftin	g History:							
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2005 DRAFTING REQUEST

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2005 DRAFTING REQUEST

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For: Administration-Budget

By/Representing: Ziegler

This file may be shown to any legislator: NO

Drafter: pgrant

May Contact:

Addl. Drafters:

Subject:

Education - school boards

Extra Copies:

MJL

Submit via email: NO

Pre Topic:

DOA:.....Ziegler, BB0379 -

Topic:

School general fund balances

Instructions:

See Attached

Drafting History:

Vers.

Drafted

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pgrant

FE Sent For:

<END>

2005-07 Budget Bill Statutory Language Drafting Request

• Topic: School general fund balances

• Tracking Code: BB0379

SBO team: Education, Workforce and Local Government Team

SBO analyst: Paul ZieglerPhone: 266-5468

Email: paul.ziegler@doa.state.wi.us

Agency acronym: Department of Public Instruction (DPI)

Agency number: 255



JAMES E. DOYLE
GOVERNOR
MARC J. MAROTTA
SECRETARY
Division of Executive Bu

Division of Executive Budget and Finance Post Office Box 7864 Madison, WI 53707-7864 Voice (608) 266-1736 Fax (608) 267-0372 TTY (608) 267-9629

Parkit Care

Date:

January 5, 2005

To:

Steve Miller, Chief

Legislative Reference Bureau

From:

Paul Ziegler, Policy and Budget Analyst

State Budget Office, DOA

Subject:

Drafting request for 2005-07 Biennial Budget Bill

Please have the following item drafted for possible inclusion in the 2005-07 biennial budget bill:

Topic:

School general fund balances

Drafting Request:

Require school districts to publish as part of their budget proposals additional information on their general fund balances for the budgeted year and the two preceding years as follows:

- 1. The amount of their annual general fund ending balances expressed as a percent of general fund expenditures.
- 2. The statewide average school district general fund balance expressed as a percent of expenditures for the two years preceding the budgeted year. For the first year preceding the budgeted year, this figure shall be a preliminary estimate provided by DPI. For the second year preceding the budgeted year, this figure shall be the actual statewide average calculated by and provided to districts by DPI.

In addition, require a school district to vote to approve any overall general fund balance planned for the end of the budgeted year in excess of 90% of the statewide actual average percentage general fund balance, expressed as a percent of expenditures, in the second year preceding the budgeted year. This vote must be separate from votes to adopt the budget and set the levy.

Please contact me at 266-5468 or by email at paul.ziegler@doa.state.wi.us with any questions.

Thank you.

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Date (time) needed



LRB- 1566/

DOA BUDGET DRAFT

(DN)

PG: KJF:

Use the appropriate components and routines developed for bills.

(in 1/9/05)

>>FOR 2005-07 BUDGET — NOT READY FOR INTRODUCTION << AN ACT [DO NOT generate catalog]; relating to: the budget
Analysis by the Legislative Reference Bureau
If titles are needed in the analysis, in the component bar: For the main heading, execute: For the subheading, execute: For the sub-subheading, execute: For the analysis text, in the component bar: For the text paragraph, execute:

attached

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION #.

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	expressed as a parentage,
	I general fund expenditures in that fiscal fear, expressed as a percentage, lar provided by the department of public
	instruction under par. (c).

Section #. 65.90 (3) (c) of the statutes is amended to read:

65.90 (3) (c) The department of public instruction under s. 115.28, the department of revenue under s. 73.10 and the technical college system board under s. 38.04 shall encourage and consult with interested public and private organizations regarding the budget summary information required under pars. (a) and (b). The department of public instruction and the technical college system board shall specify the revenue and expenditure detail that is required under par. (b) 1. and 2. for school districts and for technical college districts.

History: 1971 c. 40, 154; 1971 c. 211 ss. 77, 124; 1973 c. 224; 1975 c. 224; 1977 c. 418; 1981 c. 203; 1985 a. 225; 1987 a. 314, 377; 1989 a. 31; 1991 a. 39, 189; 1993 a. 399; 1995 a. 27, s. 9145 (1); 1997 a. 27.

The department of public in struction shall provide school of districts with the intermetion required under par. (br) 2. For the convents forcet people the budge department shall estimate the perentage. Section #. 65.90 (3) (d) of the statutes is amended to read:

65.90 (3) (d) A municipality may publish any additional budget summary information that its governing body considers necessary, but the additional information shall be reported separately from the information required under pars. (a), (b) and (bm) (bm) (br)

History: 1971 c. 40, 154; 1971 c. 211 ss. 77, 124; 1973 c. 224; 1975 c. 224; 1977 c. 418; 1981 c. 203; 1985 a. 225; 1987 a. 314, 377; 1989 a. 31; 1991 a. 39, 189; 1993 a. 399; 1995 a. 27, s. 9145 (1); 1997 a. 27.

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[rev: 9/8/04 2005inappl(fm)]

INITIAL APPLICABILITY

1. 2.	In the component bar: For the action phrase, execute: For the budget action phrase, execute: Create → action: → *NS: → inappl For the text, execute: Create → text: → *NS: → inappl Nonstatutory subunits are numbered automatically. Fill in the Section # or subsection # only if a "frozen" number is needed. Below, for the budget, fill in the 9300 department code.
	SECTION # [93] 3 7]. Initial applicability; Public in struction. (#1) () School district general fund balances. The treatment of sections. (5,90(3)(br), (c), and (d) and (5)(c)
••	(#1) () School district general fund balances
	The treatment of sections $65.90(3)(br), (c), and (d), and (5)(c)$
fi:	rst applies to school district budgets proposed the She 2006-07 rehad year.
1. 2.	In the component bar: For the action phrase, execute: For the text, execute: create → action: → *NS: → inappl For the text, execute: create → text: → *NS: → inapplA Nonstatutory subunits are numbered automatically. Fill in the Section # or subsection # only if a "frozen" number is needed.
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PRIMARY AND SECONDARY EDUCATION
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conduct a separate vote approving the excess.
FE-SC

PG:KY
Paul:
Note that this hill does not apply to MPS or to the city of Milwanker. See the sex I than definition of "municipality" is
5. 65.90 (1). fregut while mes or the
(sit of Astropher) MPS is required to have
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Sections 65,0) to 65.20 apply only to 1st
class cities, and

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-1566/1dn PG:kjf:ch

January 10, 2005

Paul:

Note that this bill does not apply to MPS or to the city of Milwaukee. See the definition of "municipality" in s. 65.90 (1). Sections 65.01 to 65.20 apply only to 1st class cities, and MPS is required to have a public hearing on its proposed budget under s. 119.16 (8). Do you want to make any changes in those sections? Also, note the initial applicability provision. OK?

Peter R. Grant Managing Attorney Phone: (608) 267–3362

E-mail: peter.grant@legis.state.wi.us

Grant, Peter

From:

Ziegler, Paul

Sent:

Tuesday, January 25, 2005 5:05 PM

To:

Grant, Peter

Subject:

FW: LRB Draft: 05-1566/1 School general fund balances





05-1566/1

Peter -- If possible, I would like to have this apply to MPS as well. (If the process between the City and MPS are just too tangled, we can leave as is -- but, hopefully, a simple reference to the new sections created by this draft will do the trick.)

Also, I would prefer an FY06 initial applicability. I will yield to your judgement, however, as to whether this is unreasonable if the bill is signed in July or August.

----Original Message----

From: Haugen, Caroline [mailto:Caroline.Haugen@legis.state.wi.us]

Sent: Monday, January 10, 2005 12:58 PM To: Ziegler, Paul

Cc: Hanle, Bob; Hanaman, Cathlene; Haugen, Caroline; Merry-Mason, Monica

Subject: LRB Draft: 05-1566/1 School general fund balances

Following is the PDF version of draft 05-1566/1.

2005 - 2006 LEGISLATURE

(DV)

LRB-1566/2 PG:kjf:

DOA:.....Ziegler, BB0379 - School general fund balances

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION



AN ACT ...; relating to: the budget.

1

Analysis by the Legislative Reference Bureau EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law requires a school board annually to publish a summary of its proposed budget before it holds a public hearing on the budget. This bill requires the summary to include, for the proposed budget, the current budget, and the budget in the previous fiscal year, the school district's general fund balance at the end of the fiscal year divided by the school district's general fund expenditures in that fiscal year, expressed as a percentage. The budget summary must also include, for the current and previous fiscal years, the statewide average school district general fund balance at the end of the fiscal year divided by the statewide average school district general fund expenditures in that fiscal year, expressed as a percentage.

The bill also provides that if a school board adopts a proposed budget in which the school district's general fund balance at the end of the fiscal year divided by the school district's general fund expenditures in that fiscal year exceeds an amount equal to 90 percent of the statewide average school district general fund ratio of balance to expenditures in the previous fiscal year, the school board must conduct a separate vote approving the excess.

PEXCECS by

411

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 65.90 (3) (br) of the statutes is created to read:

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- 1. For the proposed budget, the current budget, and the budget in the previous fiscal year, the school district's general fund balance at the end of the fiscal year divided by the school district's general fund expenditures in that fiscal year, expressed as a percentage.
- 2. For the current budget and the budget in the previous fiscal year, the statewide average school district general fund balance at the end of the fiscal year divided by the statewide average school district general fund expenditures in that fiscal year, expressed as a percentage, as provided by the department of public instruction under par. (c).

SECTION 2. 65.90 (3) (c) of the statutes is amended to read:

65.90 (3) (c) The department of public instruction under s. 115.28, the department of revenue under s. 73.10 and the technical college system board under s. 38.04 shall encourage and consult with interested public and private organizations regarding the budget summary information required under pars. (a) and (b). The department of public instruction and the technical college system board shall specify the revenue and expenditure detail that is required under par. (b) 1. and 2. for school districts and for technical college districts. The department of public instruction

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9	65.90 (5) (c) If a school board adopts a proposed budget in which the school
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13	of the previous fiscal year divided by the statewide average school district general
14	fund expenditures in the previous fiscal year, as determined by the department of
15	public instruction under sub. (3) (br) 2., the school board shall conduct a separate
16	vote approving the excess.
——> 17	Section 9337. Initial applicability; public instruction.
18	(1) SCHOOL DISTRICT GENERAL FUND BALANCES. The treatment of sections 65.90
19	(3) (br), (c), and (d) and (5) (c) of the statutes first applies to school district budgets

(END)

proposed for the 2006-07 school year.

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21

D-Note

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districts have their budget hearings in May.
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Certainly by mid-August & many districts (when the hudget hill is likely to become effective),

STATE OF WISCONSIN – **LEGISLATIVE REFERENCE BUREAU** – LEGAL SECTION (608–266–3561)

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DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-1566/2dn PG:kjf:pg

January 27, 2005

Paul:

- 1. I could not at this late date and with so little time determine whether s. 65.90 applies to MPS. My suspicion is that it does not. I therefore created s. 119.16 (8) (am) to ensure its application to MPS. If I discover that this is unnecessary or that it causes other problems, I'll let you know.
- 2. I did not change the initial applicability provision. I think some school districts have their budget hearings as early as May. Certainly by mid–August (when the budget bill is likely to become effective), many districts will have concluded their duties under s. 65.90 for the 2005–06 school year.

Peter R. Grant Managing Attorney Phone: (608) 267–3362

E-mail: peter.grant@legis.state.wi.us



State of Misconsin 2005 - 2006 LEGISLATURE

LRB-1566/2 PG:kjf:pg

DOA:.....Ziegler, BB0379 - School general fund balances

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau EDUCATION

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Current law requires a school board annually to publish a summary of its proposed budget before it holds a public hearing on the budget. This bill requires the summary to include, for the proposed budget, the current budget, and the budget in the previous fiscal year, the school district's general fund balance at the end of the fiscal year divided by the school district's general fund expenditures in that fiscal year, expressed as a percentage. The budget summary must also include, for the current and previous fiscal years, the statewide average school district general fund balance at the end of the fiscal year divided by the statewide average school district general fund expenditures in that fiscal year, expressed as a percentage.

The bill also provides that if a school board adopts a proposed budget in which the school district's general fund balance at the end of the fiscal year divided by the school district's general fund expenditures in that fiscal year will exceed an amount equal to 90 percent of the statewide average school district general fund ratio of balance to expenditures in the previous fiscal year, the school board must approve the excess by a separate vote.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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14	fund expenditures in the previous fiscal year, as determined by the department of
15	public instruction under sub. (3) (br) 2., the school board shall conduct a separate
16	vote approving the excess.
17	SECTION 5. 119.16 (8) (am) of the statutes is created to read:
18	119.16 (8) (am) Except as provided in par. (a), s. 65.90 (3) and (5) (c) applies to
19	the budget proposed by the board.
20	SECTION 9337. Initial applicability; public instruction.
21	(1) SCHOOL DISTRICT GENERAL FUND BALANCES. The treatment of sections 65.90
22	(3) (br), (c), and (d) and (5) (c) and 119.16 (8) (am) of the statutes first applies to school
23	district budgets proposed for the 2006-07 school year.

(END)